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BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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OFFICE OF THE SECRETARY

MAILING ONLINE SERVICE

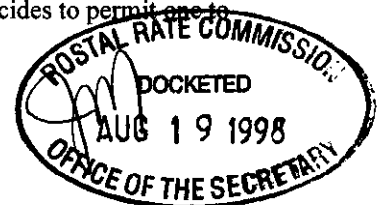
Docket No. MC98-1

COMMENTS OF  
MAIL ADVERTISING SERVICE ASSOCIATION INTERNATIONAL  
ON OCA AND PITNEY BOWES PROPOSALS

On August 17, 1998, the Office of Consumer Advocate ("OCA") filed a Motion Concerning a Data Collection Plan for a Market Test of Mailing Online. Mail Advertising Service Association International ("MASA") files this response to set forth its views on the OCA proposals for data collection. The response also addresses the market test proposal of Pitney Bowes, which had not been received by MASA at the time of the prehearing conference.<sup>1</sup> See *Pitney Bowes Response to the Motion of the Postal Service for Expedition and Waiver*.

MASA agrees in substantial measure with the specifics of the OCA proposal for data collection, albeit it is not convinced that it is worth spending much time on fine tuning data collection for the market test as proposed. As matters stand presently, the Postal Service data collection plan is woefully vague, both as to the data to be collected and as to the method and frequency by which it will be reported to the Commission. While such vagueness may give the

<sup>1</sup> MASA continues to believe that the appropriate course for the Presiding Officer is to deny the Postal Service's request for waiver of Rule 161, deny the request for the market test on the grounds that it meets neither the letter nor the purpose of the Rule, and to set a schedule for consideration of the Postal Service's experimental request. By filing these comments, MASA is not abandoning this position. Instead, it submits these comments on the manner in which the market test would be conducted in the event the Presiding Officer decides to permit one to proceed.



Postal Service business people flexibility (*cf. Tr. 1/57*), it does not suffice to produce complete and reliable information for a proceeding before this Commission. If the two-year experimental request is approved, it will be extremely important to have established and approved by the Commission, as a condition of offering the service, a comprehensive and reliable data collection plan. The OCA Motion is a first step in establishing such a plan. The data points proposed by OCA to be collected address many of the areas of information about which the Commission and the intervenors should be interested for purposes of evaluating the MOL proposal. One exception is that neither the Postal Service nor OCA has proposed that any data be collected with respect to the potential diversion of mail to MOL from other classes of mail, and the related question of whether and to what extent such diverted mail was previously being handled by private businesses.

MASA's view, however, is that it is not necessary or advisable to fine tune the data collection plan for the market test, assuming the test period remains substantially the same as that proposed by the Postal Service, because the data collected during that time period will be useless for purposes of evaluating the experimental classification request. This is for two reasons. First, the test itself will be of such short duration that, combined with the fact that it will cover only the initial usage of MOL, it will not produce reliable information with respect to the broader nationwide scope of the experimental classification (let alone the possible permanent service). Second, because the information will be received so late in the decision-making process, it will not be possible to analyze it and allow consideration by intervenors consistent with due process rights, such that it can appropriately be taken into consideration by the Commission as a basis for its recommended decision. For these reasons, the process would be better served by simply acknowledging what the Postal Service has already admitted – that the information gathered

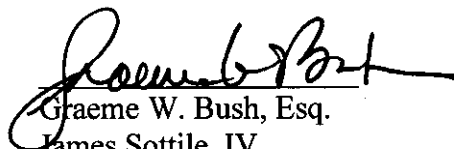
during the market test is not expected to change the experimental service request or affect it in any way (*Tr. 1/38*) – and spending the resources available on consideration of the experimental request.

It should therefore come as no surprise that MASA does not believe that the Pitney Bowes alternative ought to be adopted by the Commission, particularly if its objective is to produce market test information for consideration in connection with the experimental request. The risk of the Pitney Bowes alternative is, in MASA's view, that it assumes that market test data is to have some utility in considering and determining the experimental request. Given that this is not what even the Postal Service intends for the test, and the further fact that it has not been proposed by the Service with sufficient specificity or time to be effectively evaluated, there is a substantial risk that the mere adoption of the Pitney Bowes proposal would confer upon the information gathered during the market test period greater reliability than it in fact would deserve.

To summarize, MASA's position is as follows. The Presiding Officer should deny the Postal Service's market test request for the reasons set forth in MASA's Comments in compliance with Order 1216 and stated on the record at the prehearing conference. If the Presiding Officer decides to permit the market test, it should be for the period proposed by the Postal Service without attempting to establish a comprehensive and reliable data collection plan. Finally, if the Presiding Officer is inclined to adopt the Pitney Bowes alternative, deferring the experimental case until the information from the market test is available, MASA would ask that the Presiding Officer establish a schedule be set that allows the maximum amount of time available under the Rules of Practice for the market test request for evaluating and refining the

data collection plan so that it has some reasonable prospect of producing useful and reliable information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Graeme W. Bush', with a stylized flourish at the end.

Graeme W. Bush, Esq.

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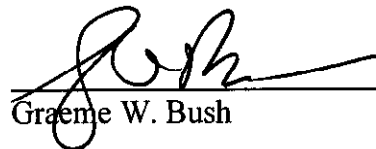
Washington, D.C. 20005

Attorneys for Mail Advertising Service  
Association International

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing comments were in accordance with Rule 12 of the rules of Practice this 19th day of August 1998.

  
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Graeme W. Bush